



U.S. Department
of Transportation
**Maritime
Administration**

Administrator

400 Seventh Street, S.W.
Washington, D.C. 20590

March 8, 2005

Members of the Class of 2005
U.S. Merchant Marine Academy
Kings Point, NY 11024-1699

Re: Service Obligations

Dear Midshipmen:

In a few months, you will be joining the distinguished ranks of Kings Point alumni and starting your careers. A primary objective of the United States Merchant Marine Academy (USMMA) is for you to obtain employment afloat as an officer in the U.S. Merchant Marine. Some of you will accept equally important positions as active duty commissioned officers in either the U.S. armed forces or with the National Oceanic and Atmospheric Administration (NOAA) Corps or perhaps a civilian position with the Federal Government serving maritime-related national security interests. There are also maritime-related positions ashore that could satisfy your employment obligations.

In summary, your service obligation contains four categories:

1. Employment
2. Maintaining your license
3. Reserve commission
4. Reporting your compliance

It is important to note that if you are not completing all the parts of your obligation, you are not compliant. Failure to be compliant may result in you having to repay the cost of your education.

Background

As you will recall, upon entering the Academy, you signed an agreement (the "Service Obligation Contract") mandated by statute committing each of you to certain maritime service obligations following graduation. 46 App. U.S.C. § 1295b. This statutory requirement is restated in the Maritime Administration's (MARAD) regulations (46 CFR §310.58) and in the Service Obligation Contract. 46 App. U.S.C. §1295b has since been amended to allow graduates to fulfill their employment obligations by taking positions with the Federal Government that are maritime-related serving national security interests.

In summary, your maritime service obligations are now:

- (1) to serve in the foreign and domestic commerce and the national defense of the United States for at least five (5) years following graduation as: (A) a merchant marine officer in the U.S. flag fleet; (B) a commissioned officer on active duty in the armed forces or NOAA Corps; (C) with the Federal Government in a maritime-related position that serves the national security interests; or (D) ashore, in a U.S. maritime related industry, profession or marine science, if a determination has been made that no afloat positions are available for you;
- (2) to maintain the license as an officer in the merchant marine of the United States, including all endorsements held at graduation, for six (6) years following graduation;
- (3) to apply for and accept, if tendered, an appointment as a commissioned officer in the reserves of the armed forces of the United States and maintain that commission for at least six (6) years after graduation¹; and
- (4) to report to MARAD concerning your compliance with the foregoing maritime service obligations.

Service Obligation Reporting Requirements:

You are required to report to MARAD in each year following your year of graduation and report your compliance with your service obligations. Regardless of the date of your graduation, each graduate must submit a service obligation report form between January 1st and March 1st starting the first January 1st after graduation and for an additional six (6) consecutive years thereafter, or until all statutory obligations are completed. Graduates are required to file reports through to the last report that demonstrates that all obligations have been satisfied. If a graduate completes the service obligations within the six years following graduation, each graduate should only have to file a total of seven (7) reports in order to give information on all six (6) years of service obligations. In such event, your last report would be due between January 1st and March 1st of 2012.

Graduates are encouraged to submit their service obligation reports to MARAD using the web-based Internet system at <https://mscs.marad.dot.gov>. You may also mail the service obligation report to: Compliance Specialist, Maritime Administration, Office of Policy and Plans, Room 7123, 400 7th Street, SW, Washington, DC 20590. If you are unable to file your report electronically, please notify us promptly via email at maritime.graduate@marad.dot.gov.

Enclosed is a pamphlet entitled "Your Maritime Service Obligation." It details the current requirements of your service obligations for future reference. Please note that this pamphlet does not include the new option for employment with the Federal Government. That alternative is further described below.

¹ All armed forces of the United States are currently requiring 8 years.

Employment Afloat or in the Armed Forces:

The law requires you to find employment as an officer afloat in the U.S. flag merchant marine or enter active duty as an officer with the armed forces of the United States or the NOAA Corps. You need not notify MARAD prior to accepting such afloat employment in the U.S. flag merchant marine or as a commissioned officer.

Employment with the Federal Government and the Required Determination:

You may also accept maritime-related employment with the Federal Government if that employment serves the national security interests of the United States. Whether such employment qualifies to satisfy your employment obligation requires a determination by the Maritime Administration. To qualify, such employment must be significantly maritime-related and serve the national security interests of the United States.

Employment Ashore and the Requirement of a Determination of No Afloat Positions:

Besides the types of employment listed above, you also may satisfy your employment obligation if you obtain employment in a United States maritime-related industry, profession, or marine science. The employment described in this paragraph will satisfy your employment service obligation only if MARAD has determined that qualified afloat employment is not available to you. Without such a determination, acceptance of any ashore employment will not satisfy your service obligation and may constitute a default under the terms of your Service Obligation Contract.

Acceptable maritime-related shoreside employment means a job or position that is significantly maritime-related. Qualifying maritime-related civilian positions may be considered in private industry, such as steamship companies, stevedoring companies, vessel chartering and operations, cargo terminal operations, naval architecture firms, shipbuilding and repair companies, state agencies involved in maritime affairs, municipal and state port authorities, port development and marine engineering firms, and tug and barge companies. Additional information is available from the Department of Professional Development and Career Services ("DPDCS") at the Academy.

From the information available to MARAD, I expect that there will be opportunities for afloat employment in the U.S. Merchant Marine upon your graduation from USMMA. Consequently, a determination that qualified afloat employment is not available will only be made where there is a clear showing that you have been unable to obtain afloat employment.

Unlicensed and Foreign Flag Positions:

A determination request must also be sought with respect to any afloat employment not qualifying as an officer position in the United States Merchant Marine. Without a determination, such service does not satisfy your service obligation.

For example, employment as an AB or a QMED on any United States flag vessel requires a determination that you were unable to obtain a U.S. flag officer position afloat. Service as an officer on a foreign flag vessel requires a determination that both no afloat positions as an officer existed for you in the United States merchant marine and that the foreign flag position is related to a United States maritime-related industry or profession.

Determination Process With Respect to Shoreside Employment:

You must work with DPDCS to request a determination for any shoreside employment or employment other than as an officer in the armed forces or afloat in the United States Merchant Marine. The initial step is to request a meeting with DPDCS to discuss your employment situation and begin the process of filing the determination application form.

The application will require you to provide information concerning your efforts to seek qualified afloat employment and information on the qualified shoreside employment offer you wish to accept. The employer must document the offer. You will be required to provide information that includes the title of your prospective job and a description of your prospective duties; whether your prospective employer is a federal or state entity; and how the position is significantly maritime-related. Based on your submission, DPDCS will make a determination.

Determination Process With Respect to Employment With the Federal Government:

A determination that the employment is maritime-related and serves the national security interests of the United States is also required with respect to employment with the Federal Government. This determination will also be initially made by DPDCS.

To qualify for this determination you are not required to show that you failed to obtain afloat employment. You are required to show that a significant portion of the responsibilities in your position with the Federal Government are maritime-related and serve the national security interests of the United States. Your application should document your offer of employment and contain a description of your duties.

Determination Process Approval or Disapproval:

If the Academy recommends approval, your request will be sent to the Maritime Administration in Washington, D.C. for final action. If disapproved, you will be notified along with the reason. You have a right to appeal all disapprovals to the Maritime Administrator. All decisions by the Maritime Administrator are final.

If a determination is approved by the Maritime Administration, you will receive a determination letter agreement that must be signed by you and returned to the Maritime Administration before it will be effective. The determination letter agreement will indicate the duration for which it is valid and will provide other terms and conditions including your obligation to request a renewal of the determination approval under certain circumstances.

If you remain in the same position with the same employer, you will need to certify this fact in your annual report to MARAD to obtain a renewal of your determination for another year. If you change positions with your existing employer, you will need to certify this fact and provide additional information to MARAD demonstrating that your position continues to be significantly maritime-related. If you change shoreside employers, you will need to seek an entirely new determination prior to accepting new shoreside employment.

Individuals who have difficulty obtaining afloat employment or who have questions regarding compliance with their Service Obligation Contracts may obtain continued assistance by contacting DPDSC.

You are the recipient of a world-class education at the expense of the Federal Government and it is expected that in return you will honor all aspects of your service obligations. To that end, the Maritime Administration is taking the service obligations seriously and will not hesitate to act as necessary on any breaches of the obligation. Failure to comply with all your statutory obligations may result in your involuntary recall to active duty or a requirement to repay the Federal Government for the cost of your education. Current estimates place the cost of four years of education at the USMMA at approximately \$187,000.

We look forward to you entering the maritime industry or serving our nation upon your graduation. The USMMA has a long tradition of producing leaders and you can be proud that you will soon be joining their distinguished ranks.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John Jamian', with a long horizontal flourish extending to the right.

John Jamian
Acting Maritime Administrator

Enclosure
"Your Maritime Service Obligation"

The foregoing list does not set forth all types of positions, organizations, or fields that may be acceptable to satisfy the service obligation. Information regarding the process for obtaining a determination that employment as an officer on a U.S.-flag vessel is not available and approval for a specific ashore position may be obtained from the Office of Policy and Plans, Maritime Administration (MARAD), MAR-410, Compliance Specialist; 400 Seventh Street, SW, Room 7123, Washington, DC 20590.

REQUESTING A WAIVER

The Federal Government realizes that there may be situations that prevent graduates from fulfilling the requirements of the service obligation contract. Waivers may be granted in cases where there would be undue hardship in the performance of satisfactory maritime service or when it is impossible to perform satisfactory maritime service due to an accident, illness or other justifiable reason as determined by the Maritime Administrator.

Applications for waivers of all or a portion of the service obligation may be obtained by writing the Compliance Specialist and must be submitted to the Maritime Administration as soon as the grounds for a waiver are known.

REQUESTING A DEFERMENT OF THE SERVICE OBLIGATION

The Maritime Administration may grant, upon request, a deferment for a period not to exceed 2 years of all or part of the service obligation contract. This deferment privilege exists only for graduates considered to have superior academic and conduct records while at the USMMA or a State maritime academy. Deferments are available only to individuals desiring to enter a marine or maritime-related course of study at an accredited graduate school or to accept a scholarship of national significance, as determined by the Maritime Administrator, in a non-maritime related field.

Applications for determination shall be made through the Office of the Superintendent/President of the maritime academy, which shall forward each application to the Maritime Administration for review and approval. The application shall be accompanied by the Superintendent's/President's recommendation for approval or disapproval of graduate study and an evaluation of the applicant's academic/conduct records. Deferment request forms may be obtained from the Compliance Specialist.

ACTIVE MILITARY DUTY

Active duty as a commissioned officer with the Navy or any other branch of the U.S. armed forces or the NOAA Corps is a way of satisfying the employment portion of the service obligation contract. Graduates of maritime academies have an understanding of naval procedures and operations that contribute to our national defense requirement for an adequate merchant marine, and can make a valuable contribution to the U.S. armed forces.

SERVICE WITH THE FEDERAL GOVERNMENT IN A MARITIME -RELATED POSITION THAT SERVES NATIONAL SECURITY

A graduate may fulfill the employment portion of the commitment by serving in a full time position with a Federal agency if that position serves the national security of the United States in a maritime-related area. Positions with the Department of Homeland Security in the maritime sector are one example of acceptable Federal positions.

RESERVE MILITARY DUTY

Graduates of maritime schools are required to support military operations in peace and war. That is why graduates of the USMMA and State maritime academies who have signed a service obligation contract are also required to apply for a commission in the U.S. Naval Reserve, the U.S. Coast Guard Reserve, or any other reserve unit of an armed force of the United States. If accepted, the graduate must remain in the military reserve for at least 6 years after graduation. Graduates serving five years of active duty in the U.S. armed forces have fulfilled this aspect of their MARAD service obligations.

BREACH OF SERVICE OBLIGATION AND RIGHT TO APPEAL

Graduates who breach their service obligation contract may be ordered to active duty in the U.S. armed forces. In lieu of being ordered to active duty, graduates from the USMMA may be required to repay the cost of the education provided by the Federal Government. The Maritime Administration's Office of the Associate Administrator for Policy and International Trade will make a determination of whether a graduate has breached the service obligation. Such decisions may be appealed to the Maritime Administrator.

QUESTIONS AND FOR MORE INFORMATION:

We want to help you succeed in meeting your service obligations. If you need more information or if you have questions regarding these obligations, please contact the Compliance Specialist at marad.graduate@marad.dot.gov.



U.S. Department of Transportation
MARITIME ADMINISTRATION

YOUR MARITIME SERVICE OBLIGATIONS

Service Obligations of Federal and State
Maritime Academy Graduates



This pamphlet includes information on the following topics:

Introduction

The Law: Maritime Education and Training Act of 1980

Service Obligations for Graduates

Service as a Merchant Marine Officer

Maritime-Related Employment Option

Requesting a Waiver

Requesting a Deferment of the Service Obligation

Active Military Duty

Reserve Military Duty

Breach of Service Obligation and Right To Appeal

INTRODUCTION

When you graduate from the United States Merchant Marine Academy (USMMA) or a State maritime academy, you will have achieved a milestone in your academic career. The decision you made after high school to continue your education and to develop a technical competence in your chosen field of endeavor should benefit you for years to come.

Electing a maritime service obligation along with your career field is admirable. It is an honor to serve in the merchant marine since the merchant marine has been and remains the fourth arm of defense of this country. It is this nation's intention to have a sufficient number of highly trained licensed officers available to operate American flag vessels whether we are at peace or at war. Your service in the merchant marine is the vehicle through which this goal will be achieved.

The contents of this pamphlet, "Your Maritime Service Obligations", are intended to give you general guidance you may need to properly carry out the provisions of this maritime service obligation. Keep the pamphlet handy and refer to it often. Detailed information is contained in your service obligation contract and in the Code of Federal Regulations. See 46 C.F.R. Part 310.

THE LAW

With the passage of the Maritime Education and Training Act of 1980, (P.L. 96-453), as amended (the "Act") Congress imposed the mandatory service obligations outlined below in this pamphlet. Pursuant to the requirements of this Act, each of you was required to enter into a service obligation contract.

SERVICE OBLIGATIONS FOR GRADUATES

Service obligations related to a graduates' employment, maintenance of the Coast Guard license, commissioning in the reserve forces of the United States, and reporting to the Maritime Administration ("MARAD") are summarized as follows:

Employment:

A graduate may fulfill the employment obligation portion of his/her service obligation in four ways as follows:

Serve in the foreign and domestic commerce and the national defense of the U.S. for at least five (5) years following graduation, if a graduate of USMMA or three (3) years

following graduation, if a graduate of a State maritime academy as:

- (1) a merchant marine officer in the U.S. flag fleet;
- (2) a commissioned officer on active duty in the U.S. Armed Forces or the National Oceanic and Atmospheric Administration (NOAA) Corps;
- (3) with the Federal Government in a maritime-related position that serves the national security interest; or
- (4) if a determination has been made that no afloat positions are available for you, ashore, in a U.S. maritime-related industry, profession or marine science.
- (5) By combination of the services specified above.

Maintenance of Coast Guard License:

Maintain (or upgrade) the license as an officer in the U.S. merchant marine, including all endorsements held at graduation, for six (6) years following graduation;

Service as a Commissioned Officer in the Reserves of the U.S. Armed Forces of the United States:

Apply for and accept, if tendered, an appointment as a commissioned officer in the reserves of the U.S. armed forces for at least six (6) years following graduation; and

Report Compliance to MARAD:

Report to MARAD annually concerning your compliance with the foregoing maritime service obligations, as set forth in the next paragraph.

You are required to report to MARAD in each year following your year of graduation to inform us about your compliance with your service obligations. Regardless of the date of your graduation, each graduate must submit a service obligation report form between January 1st and March 1st starting the first January 1st after graduation and for at least an additional six (6) consecutive years thereafter. Graduates are required to file reports through to the last report that demonstrates that all obligations have been satisfied. If a graduate completes the service obligations within the six years following graduation, each graduate should only have to file a total of seven (7) reports in order to give information on all six (6) years of service obligations. Service obligation compliance report forms are provided with this pamphlet. Additional forms may be obtained by writing to the Office of Policy and Plans,

Maritime Administration (MARAD), MAR-410, Compliance Specialist, 400 Seventh Street, SW, Room 7123, Washington, DC 20590. Graduates are encouraged to obtain forms and report to MARAD using the web-based Internet system at <https://mscs.marad.dot.gov>.

SERVICE AS A MERCHANT MARINE OFFICER

Unless a graduate serves as a commissioned officer in the U.S. armed forces or in the NOAA Corps or in a maritime-related position with the Federal Government serving the national security interests of the United States, he/she must first seek employment in the maritime industry as a licensed officer aboard vessels operating under U.S. flag. Employment aboard ships supports the government's objective of providing fully trained merchant marine officers to operate U.S.-flag merchant vessels in peace and war.

For service obligation purposes, a year of employment aboard merchant vessels is defined as the median number of days of seafaring employment under Articles achieved by deck or engine officers in the most recent calendar year for which statistics are available. The median number of days required for each year will be posted on MARAD's web-based Internet system at <https://mscs.marad.dot.gov>.

MARITIME-RELATED ASHORE EMPLOYMENT OPTION

Graduates who are unable to obtain employment as a licensed officer aboard a U.S.-flag vessel may work in a U.S. maritime-related industry, profession, or marine science. Prior to accepting such a position, the graduate must seek a determination from the Maritime Administrator that such U.S.-flag vessel employment is not available. Additionally, the graduate must obtain approval of the position as meeting the maritime-related requirement. Among the areas of employment the Administrator may consider acceptable as U.S. maritime-related employment are positions of operational, management and administrative responsibility with organizations or maritime-related fields, such as:

- Steamship companies
- Stevedoring companies
- Vessel chartering and brokerage operations
- Cargo terminal operations
- Naval architecture
- Shipbuilding and repair
- Municipal and state port authorities
- Port development
- Marine engineering
- Tug and Barge companies
- Oil and mineral operations
- State agencies involved in maritime affairs